FRESHWATER FISH MARKETING CORPORATION

SECOND QUARTER REPORT II

August 1, 2008 - October 31, 2008

08/09

SUMMARY

(numbers in thousands)

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
TOTAL SALES	$ 17,535	$ 14,906	$ 30,346	$ 30,130
NET INCOME	$ 1,837	$ 2,988	$ 2,565	$ 3,231
INITIAL PAYMENTS TO FISHERS*	$ 11,237	$ 10,350	$ 33,561	$ 21,970
ROUND EQUIVALENT KGS				
Pickerel	2,431	2,352	5,207	5,512
Sauger	62	27	151	64
Whitefish	1,894	1,667	3,158	2,816
Northern Pike	588	611	798	871
Mullet	486	489	692	749
Other	254	328	526	557
TOTAL WEIGHT	5,715	5,474	10,532	10,569

* Delivery Point, net freight

** All figures are preliminary until audited at the Corporation's fiscal year-end of April 30

PERFORMANCE HIGHLIGHTS

Second quarter sales exceeded the previous year's second quarter by $2.6 million (17.6%). Net income declined by $1.2 million (-38.5%) but this was offset by an increase in initial payments of almost $1.0 million. This swing is the result of higher initial prices to fishers, which has the effect of transferring a greater percentage of profits to fishers earlier in the year.

The increase in whitefish deliveries is exciting to see after last year's all-time low volume. Of concern is the fact that this increase is concentrated in Manitoba, with all other regions delivering lower volumes than last year.

The now-global economic downturn will create significant challenges for the second half of the fiscal year. By the end of Q2, we were starting to feel price pressure on higher-value products in key US markets and this trend is expected to deepen and spread to Europe.

Noteworthy Items from the Second Quarter:

- The Board held its First Quarter Review in August 2007.
- Chairperson J. Bear and President J. Wood, along with local Board members met with government officials from Alberta, Saskatchewan, Manitoba and the Northwest Territories during the quarter to present FFMC's new Strategic Plan and discuss fishery issues.
- Our agent from Finland visited in September to tour the plant and local fishery.
- President J. Wood attended the Fisheries Council of Canada AGM in Quebec in October.
- FFMC rolled out a redesigned Performance Development System for all salaried staff as part of its new Strategic Plan.

HIGHLIGHTS BY PROVINCE — SECOND QUARTER REPORT

MANITOBA

(numbers in thousands)

- Initial payments to Manitoba fishers in the second quarter were up 10% from last year's level, due to an overall 6% increase in deliveries and higher initial prices than last year.
- Pickerel and sauger deliveries were up 3% and 130% respectively for the quarter compared to last year's second quarter.
- Northern pike production was down 5% this quarter.
- Mullet deliveries declined by 2% compared to the same quarter last year, in spite of stronger initial prices.
- Whitefish deliveries rose by 27% over the same time period last year. In spite of late maturity of the roe this year, fishers still delivered 25 tonnes, one tonne more than last year.

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 9,929	$ 9,018	$ 20,155	$ 19,921
ROUND EQUIVALENT KGS				
Pickerel	2,298	2,240	5,028	5,350
Sauger	62	27	151	64
Whitefish	1,107	875	1,686	1,271
Northern Pike	530	557	709	774
Mullet	446	457	620	678
Other	138	154	277	305
TOTAL WEIGHT	4,581	4,310	8,470	8,442

* Delivery Point, net freight

SASKATCHEWAN

(numbers in thousands)

- Initial payments in Q2 showed an increase of 5% compared to last year, while total deliveries declined by 8%.
- Pickerel production increased by 16%, northern pike by 15%, and mullet by 21%.
- Whitefish deliveries declined by 13% and lake trout deliveries (included in "other") were down about 66% from the same quarter last year, due to a shift in deliveries from August to July.

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 689	$ 658	$ 1,230	$ 919
ROUND EQUIVALENT KGS				
Pickerel	123	106	138	122
Sauger	0	0	0	0
Whitefish	259	296	563	529
Northern Pike	46	40	63	67
Mullet	40	33	72	71
Other	80	120	196	191
TOTAL WEIGHT	548	595	1,032	980

* Delivery Point, net freight

ALBERTA

(numbers in thousands)

- Initial payments for Q2 were up 10% compared to Q2 last year.
- A substantial amount of Lesser Slave Lake whitefish quota was shifted from the spring fishery to the fall fishery again this year, and whitefish production therefore increased 10%.
- Initial payments to Alberta fishers should have been higher on the strength of higher whitefish deliveries and improved initial prices. However, whitefish roe on Lesser Slave Lake matured late and roe harvest was reduced from 32 tonnes last year to only 21 tonnes this year.

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 4,699	$ 4,457	$ 752	$ 741
ROUND EQUIVALENT KGS				
Pickerel	2	2	30	28
Sauger	0	0	0	0
Whitefish	434	395	617	710
Northern Pike	10	10	10	12
Mullet	0	0	0	0
Other	21	33	23	33
TOTAL WEIGHT	467	440	700	783

* Delivery Point, net freight

NORTHWEST TERRITORIES

(numbers in thousands)

- Initial payments showed a 2% improvement over Q2, based on higher initial prices. Total deliveries declined by 6%.
- Whitefish, which made up 80% of NT production, was down 6%.
- Pickerel deliveries doubled from 4,000 to 8,000 kgs.
- Under "other", fishers delivered less lake trout and inconnu than last year.
- Participation in the fishery declined again compared to last year by about 20%, while there was about a 10% compensating increase in fishing effort among remaining fishers. Net result was lower total deliveries.

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 129	$ 126	$ 415	$ 378
ROUND EQUIVALENT KGS				
Pickerel	8	4	11	11
Sauger	0	0	0	0
Whitefish	94	100	270	304
Northern Pike	1	1	11	14
Mullet	0	0	0	0
Other	14	20	29	27
TOTAL WEIGHT	117	125	321	356

* Delivery Point, net freight

NORTHWESTERN ONTARIO

(numbers in thousands)

- There was no significant fishing activity during Q2.
- A small amount of northern pike was delivered.

	Second Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS TO FISHERS*	$ 3	$ 3	$ 11	$ 9
ROUND EQUIVALENT KGS				
Pickerel	0	0	0	0
Sauger	0	0	0	0
Whitefish	0	0	2	2
Northern Pike	2	3	6	5
Mullet	0	0	1	1
Other	0	0	1	1
TOTAL WEIGHT	2	3	10	9

* Delivery Point, net freight

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